



Mark DENHAM
Fund Manager

EQUITY INVESTING BEYOND MARKET TIMING

6th July 2023

MARKETING COMMUNICATION

Please refer to the KID/KIID prospectus of the fund before making any final investment decisions. Welcome to the Carmignac's Direct Line. This meeting is being recorded and will be made available in our Pro-Space in our website. You will need to register in order to be able to access the meeting. By attending the meeting, you consent to its recording and the fact that it will be available in our Pro-Space. You have the right to access, rectify or delete your personal data. Please go to our website and access our Privacy Policy at the bottom of the page for further information on the use of personal data and the right of access.

CARMIGNAC PORTFOLIO GRANDCHILDREN

Why this strategy ?

A **sustainable developed market equity fund focused on compounders** – high quality companies with regular profitability over the years that reinvest their earnings for future growth



A robust process to unearth
Compounders

A **proven selection process** to identify companies that can **compound their earnings over time**

An optimization of
market cyclicity

An adjustment of the **“cyclicity” of the portfolio according to the economic cycle**



SFDR Fund
Classification**

Article 9



Sustainable objective
based on UN SDGs

Article 9 Fund with an unrestricted playground aiming to achieve a **positive contribution via a sustainable framework based on UN SDGs** and on **strict exclusions**

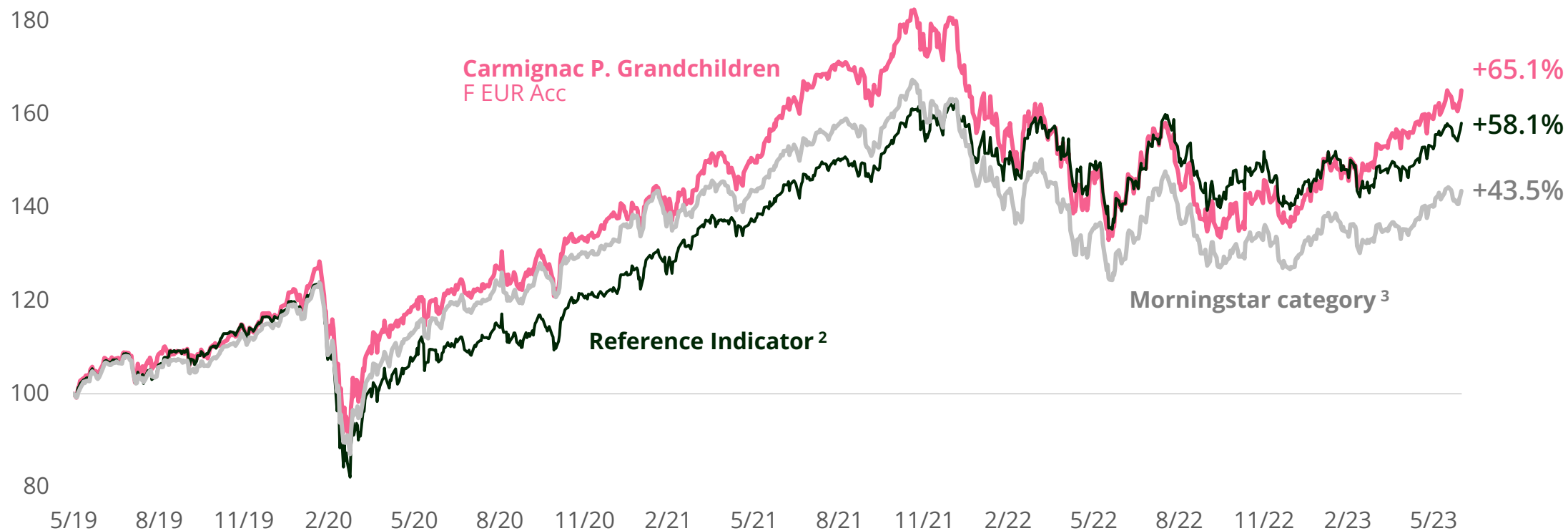


*<https://www.lelabelisr.fr/en/>; <https://www.towardssustainability.be/>; <https://www.febelfin.be/fr/>; Socially Responsible Investment, https://www.carmignac.fr/fr_FR/nous-connaître/investissement-socialement-responsable-isr-1252. ISR and Febelfin labels obtained respectively in January and February 2020. SFDR Fund Classification: Article 9 starting 1st January 2022. Sustainable Finance Disclosure Regulation (SFDR) 2019/2088. For more information, please refer to EUR-lex Source: Carmignac, 30/06/2023

PERFORMANCE REVIEW

Carmignac Portfolio Grandchildren

Cumulative performance since launch¹



1) Inception date: 31/05/2019 2) Reference indicator: MSCI World Index in EUR (Reinvested net dividends). Performance of the F EUR acc share class. 3) EAA Fund Global Large-Cap Growth Equity. Past performance is not necessarily indicative of future performance. The return may increase or decrease as a result of currency fluctuations. Performances are net of fees (excluding possible entrance fees charged by the distributor). Source: © 2023 Morningstar, Inc. All Rights Reserved, Carmignac, 30/06/2023.

DIFFERENT BY DESIGN

Our Investment Process and SDG-Aligned Stock Selection

Quality at the **core** of the investment process



Sustainable Objective

100%

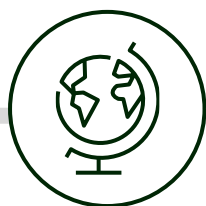
*sustainable investments
in the portfolio
(excl. cash)*

SFDR Fund
Classification**

Article 9

Source: Carmignac, 2023

OVERVIEW OF THE INVESTMENT PROCESS



SRI Investment Universe

- **Developed markets** only
- **> \$1 bn** market cap
- **Exclusions on:**
 - Energy
 - Ethical including tobacco, alcohol, weapons...
 - CCC ESG ratings

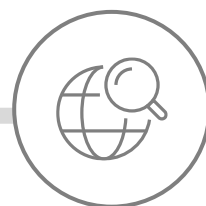
~1300 STOCKS



SRI Screening

- **Positive alignment** based on UN SDGs: at least 50% of company revenues / CAPEX

~500 STOCKS



Financial Screening

- **Profitability** via operating margin analysis (5y average, volatility, delta...)
- **Reinvestment** via an implied growth calculation based on Holt CFROI and payout ratio

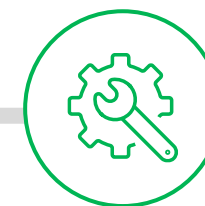
~250 STOCKS



Fundamental Analysis

- **Qualitative & quantitative ESG analysis** via our proprietary system START
- Understanding **growth** long-term **drivers / forecasts**
- **Balance sheet** analysis
- **Leverage / Debt** situation
- **Valuation** examination

~40 STOCKS



Sizing Management

- Sizing management based on our **conviction in the business model**
- Assessing the **macro sensitivity** of our holdings
- **Adjust** the portfolio according to the stage of **economic cycle**

~1% to 10%

Internal methodology for illustrative purposes only. Portfolio composition may vary over time.
Source: Carmignac, April 2023

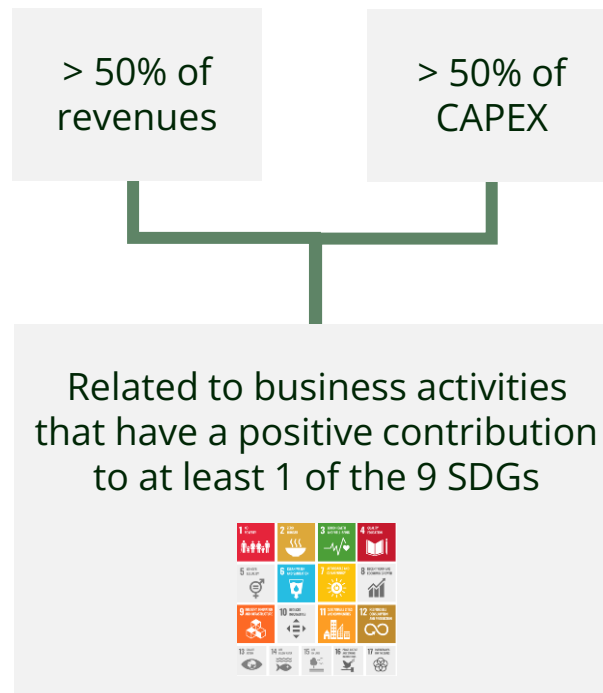


POSITIVE ALIGNMENT BASED ON UN SDGS

Focus on 9 out of 17 UN SDGs



How is a company considered to be SDG-aligned ?



Objective

100%
*sustainable investments
 in the portfolio
 (excl. cash)*

UN's Sustainable Development Goals (SDGs) are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all". For more details: <https://sdgs.un.org/goals> As part of our sustainable investment journey, Carmignac Gestion uses the United Nations Sustainable Development Goals as illustrations of the company Outcomes Framework. The SDG logos, icons, colour wheel and design rights are and remain the property of the United Nations. Carmignac Gestion is a UN PRI signatory but is in no way affiliated with the United Nations. The United Nations did not endorse the content or data behind the SDG logos, icons and colour wheel. All content and data related to each UN SDG are compiled by Carmignac. Source: Carmignac, 2023



FINANCIAL SCREENING

Scoring for profitability and reinvestment

Name	Mkt cap bn \$	Holt CFROI	Reinv. (1-PR)	Implied Growth (CFROI*Reinv)		Op Margin		Op Margin Delta		Op Margin 1/SD10		OP Margin 5Y avg		Average Score
				Decile ranking analysis (4x)		Decile ranking analysis (1x)		Decile ranking analysis (1x)		Decile ranking analysis (1x)		Decile ranking analysis (1x)		
BROWN-FORMAN -B	15.1	20.3	63%	12.7	2	34.4	1	2.15	2	0.2	8	36.4	1	2.5
STRYKER CORP	52.2	15.9	80%	12.7	2	18.7	3	0.19	5	0.3	4	17.6	3	2.9
THERMO FISHER	111.0	30.9	81%	25.1	1	15.5	4	1.38	3	0.6	2	14.3	4	2.1
L'OREAL	135.4	18.8	45%	8.4	4	17.9	3	0.61	4	0.7	2	16.8	3	3.5
INTUIT INC	52.6	26.5	68%	18.0	1	27.3	2	1.44	3	0.3	5	24.8	2	2.0
INTERCONTINENTAL	40.4	44.5	72%	32.1	1	51.9	1	0.58	4	0.2	7	50.1	1	2.1
NVIDIA CORP	125.9	24.3	91%	22.1	1	32.5	1	-0.58	7	0.1	9	24.9	2	2.9
WALT DISNEY CO	155.2	15.1	72%	10.8	3	17.0	3	-7.93	10	0.3	5	23.6	2	4.0
MASTERCARD INC-A	210.2	57.3	82%	47.1	1	48.7	1	-4.28	9	0.2	7	52.4	1	2.8
DIAGEO PLC	66.6	23.0	49%	11.2	3	31.4	1	0.96	3	0.5	2	28.8	1	2.4
RELX PLC	34.1	30.8	42%	12.9	2	25.8	2	0.34	4	0.2	5	24.6	2	2.6
VISA INC-CLASS A	250.5	53.9	83%	44.5	1	65.3	1	2.43	2	0.1	9	62.4	1	2.1
NOVO NORDISK-B	95.8	21.6	49%	10.7	3	42.2	1	-1.59	8	0.2	8	42.8	1	3.8

Stocks are given decile rankings based on **five historic factors**

These, together, give a **combined weighted average score** from 1 (positive) to 10 (negative)

CFROI: cash flow return on investment. PR = payout ratio. Internal methodology to screen the investment universe Portfolio composition may vary over time. For illustrative purposes only.
Source : Carmignac, 31/12/2018

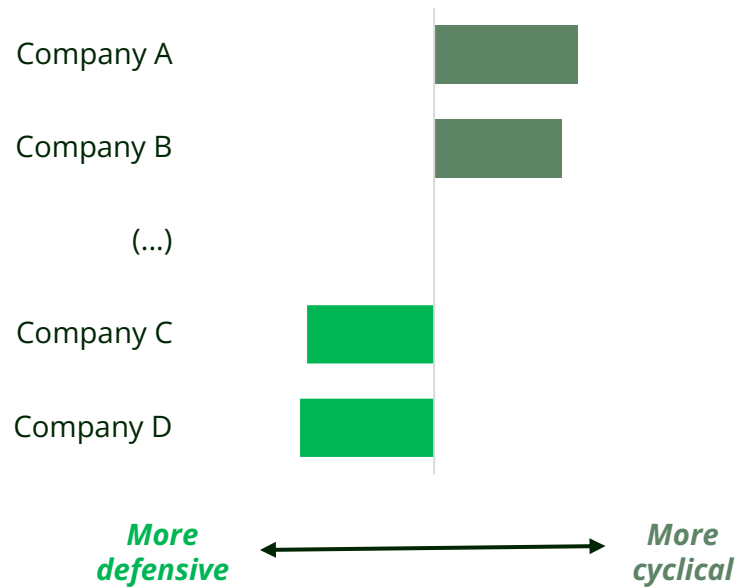


MARKET CYCLICALITY MANAGEMENT

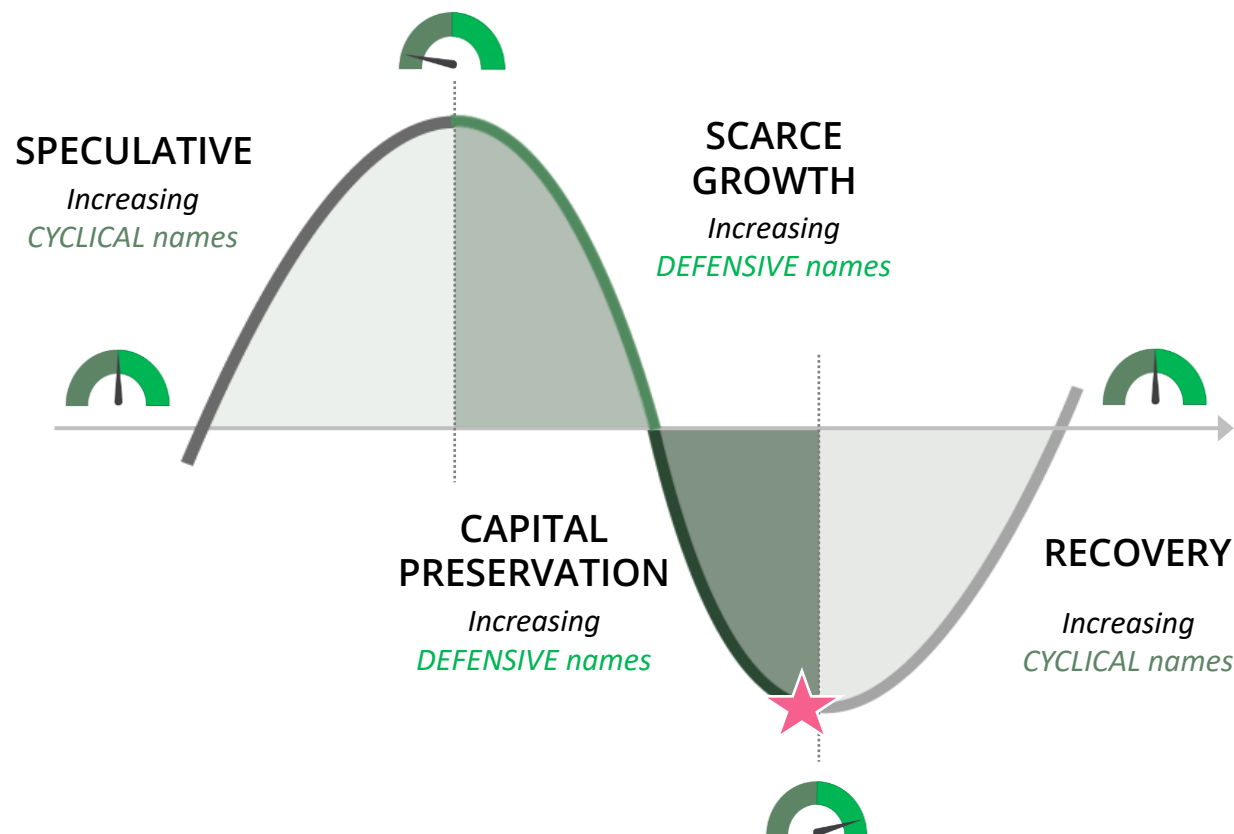
Optimisation of the weighting of our convictions based on the economic cycle

Assessing macro sensitivity of our holdings

Examples :



Portfolio adjustment



Source: Carmignac, FactSet, 2023

FUND POSITIONING

TOP 10 POSITIONS

MICROSOFT	8.7%
ELI LILLY	7.0%
THERMO FISHER	5.3%
PROCTER & GAMBLE	5.0%
COLGATE-PALMOLIVE	4.9%
NOVO NORDISK	4.5%
L'OREAL	4.1%
LONZA	3.6%
NVIDIA	3.4%
SAP	3.0%



33%

Technology

- MICROSOFT
- SAP
- MASTERCARD



30%

Healthcare

- THERMO FISHER
- NOVO NORDISK
- ELI LILLY



18%

Consumers

- COLGATE
- L'OREAL
- P&G



5%

Industrials

- ASSA ABLOY
- KINGSPAN
- TRANSUNION



5%

Financials

- S&P GLOBAL
- ICE



3%

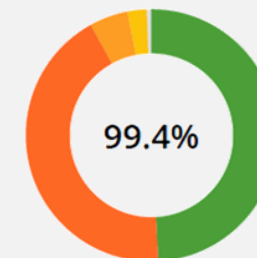
Other*

- ALPHABET
- ORSTED

Portfolio composition may change over time. *Other: remaining equity exposure.
Source: Carmignac, 31/06/2023 on the left, 31/05/2023 on the right (ESG related data)

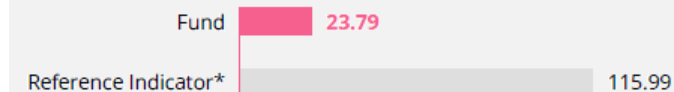
POSITIVE OUTCOMES OF OUR SRI APPROACH

Alignment with the UN SDGs (incl. cash)



- Good Health and Well Being (49.1%)
- Industry, Innovation and Infrastructure (42.8%)
- Sustainable Cities and Communities (5.0%)
- Affordable and Clean Energy (2.4%)

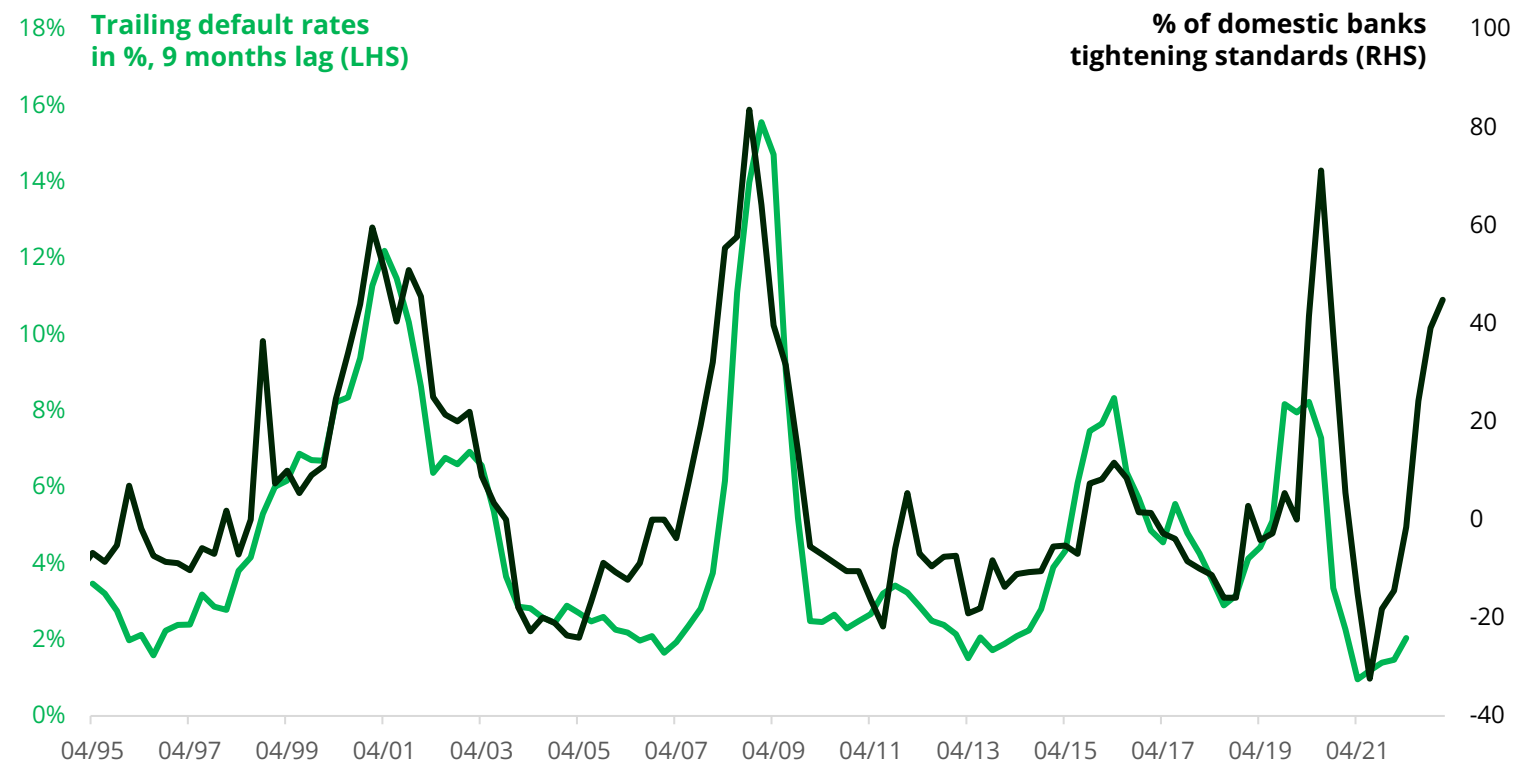
Carbon Emission Intensity* (T CO2E/USD MN REVENUES)



WHY QUALITY WILL BE KEY

Now more than ever

Evolution of default rates & credit conditions



Source: Carmignac, Bloomberg, Moody's as of 31/05/2023

NET DEBT TO EBITDA

CARMIGNAC
P. GRANDCHILDREN

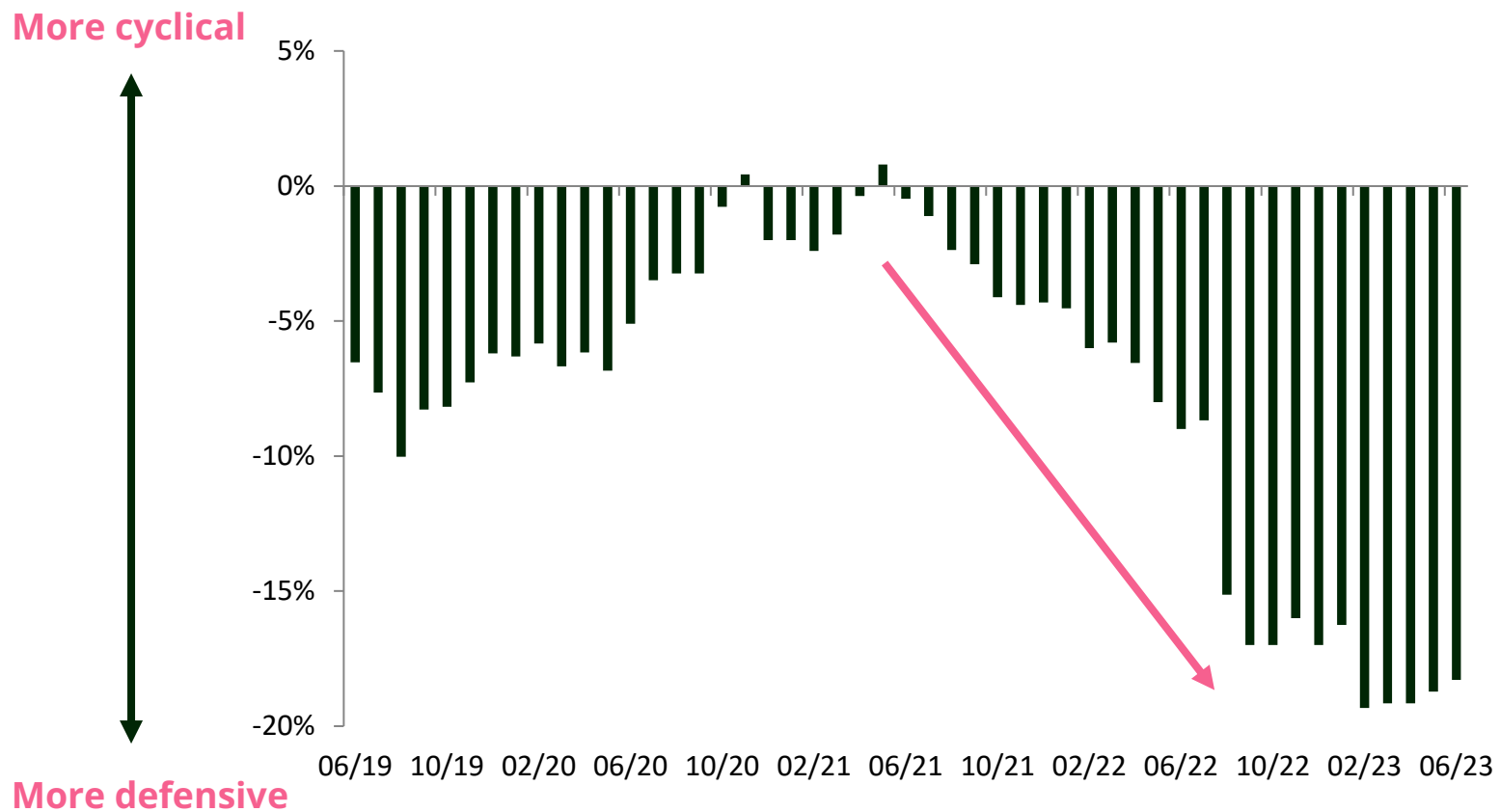
x0.6

MSCI WORLD

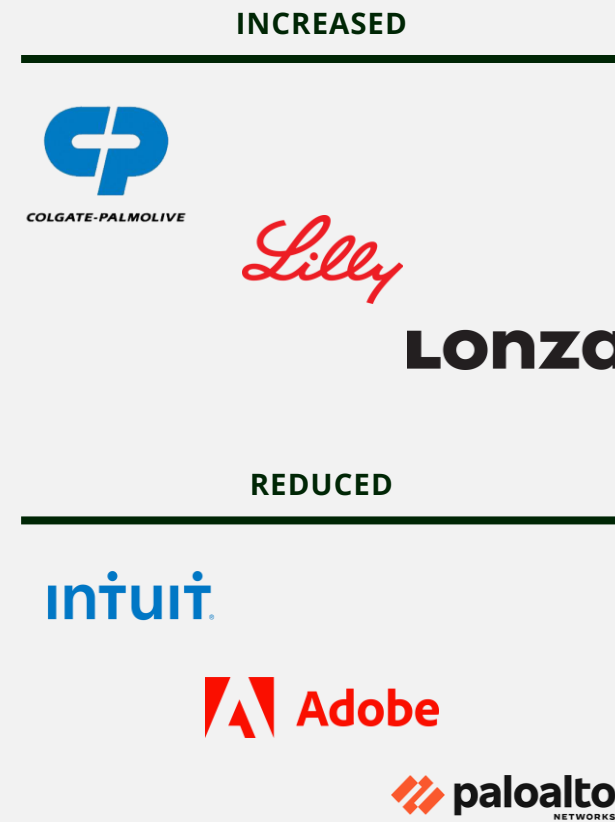
x1.2

FUND MACRO SENSITIVITY

Adjusting the Fund's cyclicity to growth slowdown



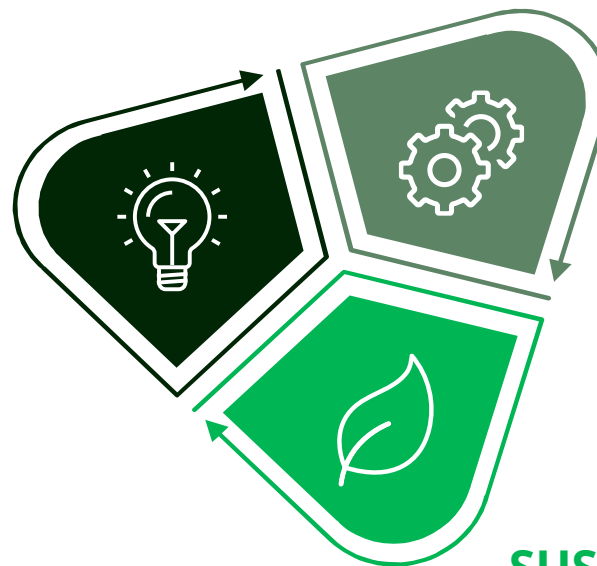
Portfolio composition may vary over time. The trademarks and logos do not imply any affiliation with or endorsement by the respective entities. Source: Carmignac, 30/06/2023



KEY TAKE AWAYS

A ROBUST PROCESS TO UNEARTH COMPOUNDERS

Structured and quantifiable process to **identify companies that can compound their earnings over time** and **optimized market cyclicality**



HIGH CONVICTION / ACTIVE MANAGEMENT

High active share ~86%
Focused portfolio of 41 stocks

SUSTAINABLE INVESTMENT OBJECTIVE

SFDR Fund Classification: Article 9*
UN SDGs Alignment: 99.4% *(including cash)*

*SFDR Fund Classification: Article 9 starting 1st January 2022. Sustainable Finance Disclosure Regulation (SFDR) 2019/2088. For more information, please refer to: https://www.carmignac.lu/en_GB/responsible-investment/in-practice-47444
Source: Carmignac, June 2023

Q&A SESSION





APPENDIX

EXPERIENCED PORTFOLIO MANAGERS



Mark DENHAM

33 years experience

Fund Manager, Head of European Equities

Mark joined Carmignac in 2016 as portfolio managers of Carmignac Portfolio Grande Europe.

Previously Head of Pan European Equities at Aviva Investors (UK), managing approx. € 5bn mainly invested through institutional mandates.

He graduated from Cambridge University with a degree in Natural Sciences and holds a Postgraduate Certificate in Advanced Mathematics.



Obe EJKEME

20 years experience

Fund Manager, Quantitative Equity Analyst

Obe joined Carmignac in 2014 as Quantitative Equity Analyst.

He started his career in 2003 at FactSet Research Systems as a Senior Consultant. Then, he worked for seven years at Bank of America Merrill Lynch where he was Head of European Equity and Quantitative Strategy.

Obe holds a Bachelor in Computer Science from the University of Hull.

Complementary expertise: fundamental approach and quantitative analysis

Ongoing **collaboration** within the team and **synergy** with other **Carmignac teams** and analysts

Source: Carmignac, 2023

ID CARD

Objective/ Reference Indicator

- Seeking to generate positive returns over the long term while mitigating downside risks. The objective of the Sub-Fund is to achieve long-term capital growth and involves active, flexible management with a focus on equity markets.
- The Sub-Fund seeks to invest sustainably for long-term growth and implements a socially responsible investment approach. Details on how the socially responsible investment approach is applied at Carmignac can be found under "Socially responsible investment (SRI)" in the "About Us" section on the following website: www.Carmignac.com
- Reference Indicator: MSCI WORLD NR (USD) index calculated net dividends reinvested (Bloomberg code: M1WO)

Investment Universe/ Morningstar category

- Developed Market Equities
- Global Large-Cap Growth Equity

Investment Process Performance drivers

- Bottom-up stock picking with a particular focus on quality growth companies
- Quantitative input to adapt the portfolio to the market cyclicalities
- Embeds a socially responsible approach at all steps of the process

Legal

Legal form : UCITS SICAV structure
 Income allocation: Accumulation
 Base currency: EUR
 Redemption period: Daily
 Lock-up: N/A
 Notice Period: N/A

Inception date: 31/05/2019
 Auditor: PricewaterhouseCoopers
 Administrator: CACEIS Bank, Luxembourg Branch
 Available share class : A EUR Acc (LU1966631001),
 F EUR Acc (LU2004385154), W EUR Acc (LU1966630961)

AUM Strategy: 260€ Mln

Source: Carmignac at 30/06/2023

PERFORMANCE OVERVIEW

Carmignac Portfolio Grandchildren

Calendar Performance – F EUR Acc

(%)	Fund	Ref. Indicator*
2018	n.a.	n.a.
2019	15.87	15.49
2020	19.88	6.33
2021	29.13	31.07
2022	-23.70	-12.78
2023	20.61	12.58

Annualized Performance

(%)	Fund	Ref. Indicator*
3 years	11.0	13.3
5 years	n.a.	n.a.
Inception**	12.6	11.9

*Reference indicator: MSCI AC WORLD (USD, Reinvested net dividends). **Inception date: 31/05/2019. Performance are net of fees (excluding possible entrance fees charged by the distributor). Past performance is not necessarily indicative of future performance. The return may increase or decrease as a result of currency fluctuations. **Table of fees:** Entry charges paid to distributors. No redemption fees. Conversion charges: this is the maximum that might be taken out of your money before it is invested / before the proceeds of your investment are paid out. Ongoing charges are based on the expenses for the last financial year ended. They may vary from year to year and do not include performance fees or transaction costs. Variable Management Charge: 20% of the outperformance once performance since the start of the year exceeds that of the reference indicator and if no past underperformance still needs to be offset. Source: Carmignac, 30/06/2023

Table of fees

One-off costs upon entry or exit	
Entry costs	4,00 % of the amount you pay in when entering this investment. This is the most you will be charged. The person selling you the product will inform you of the actual charge.
Exit costs	We do not charge an exit fee for this product.
Ongoing costs taken each year	
Management fees and other administrative or operating costs	1,70% of the value of your investment per year. This estimate is based on actual costs over the past year.
Transaction costs	0,34% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the investments underlying the product. The actual amount varies depending on the quantity we buy and sell.
Incidental costs taken under specific conditions	
Performance fees	20,00% when the share class overperforms the Reference indicator during the performance period. It will be payable also in case the share class has overperformed the reference indicator but had a negative performance. Underperformance is clawed back for 5 years. The actual amount will vary depending on how well your investment performs. The aggregated cost estimation above includes the average over the last 5 years, or since the product creation if it is less than 5 years.

MAIN RISKS OF THE FUND - ALL COUNTRIES (UK EXCLUDED)

CARMIGNAC PORTFOLIO GRANDCHILDREN - F EUR ACC

EQUITY

The Fund may be affected by stock price variations, the scale of which is dependent on external factors, stock trading volumes or market capitalization.

CURRENCY

Currency risk is linked to exposure to a currency other than the Fund's valuation currency, either through direct investment or the use of forward financial instruments.

DISCRETIONARY MANAGEMENT

Anticipations of financial market changes made by the Management Company have a direct effect on the Fund's performance, which depends on the stocks selected.

The Fund presents a risk of loss of capital



Recommended
minimum investment
horizon: **5** years

SFDR Fund
Classification** **Article 9**

Source: Carmignac at 30/06/2023. Risk Scale from the KID (Key Information Document). Risk 1 does not mean a risk-free investment. This indicator may change over time.

MAIN RISKS OF THE FUND – ONLY UK

CARMIGNAC PORTFOLIO GRANDCHILDREN - FW EUR ACC

EQUITY

The Fund may be affected by stock price variations, the scale of which is dependent on external factors, stock trading volumes or market capitalization.

CURRENCY

Currency risk is linked to exposure to a currency other than the Fund's valuation currency, either through direct investment or the use of forward financial instruments.

DISCRETIONARY MANAGEMENT

Anticipations of financial market changes made by the Management Company have a direct effect on the Fund's performance, which depends on the stocks selected.

The Fund presents a risk of loss of capital



Recommended
minimum investment
horizon: **6 YEARS**

SFDR Fund
Classification** **Article 9**

Source: Carmignac at 30/06/2023. Risk Scale from the KID (Key Information Document). Risk 1 does not mean a risk-free investment. This indicator may change over time.

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Investment management company approved by the AMF -Public limited company with share capital of € 15,000,000 - RCS Paris B 349 501 676.

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